

UNC Workgroup Report	At what stage is this document in the process?
<h1>UNC 0602 0602A:</h1> <h2>Implementation of Non Effective Days and Variant Non-Business Days for Project Nexus</h2> <h3>Implementation, maintaining a minimum of two Supply Point System Business Days (Project Nexus transitional modification)</h3>	<div style="display: flex; flex-direction: column; gap: 5px;"> <div style="border: 1px solid #ccc; padding: 5px; display: flex; align-items: center;"> 01 Modification </div> <div style="border: 1px solid #ccc; padding: 5px; display: flex; align-items: center;"> 02 Workgroup Report </div> <div style="border: 1px solid #ccc; padding: 5px; display: flex; align-items: center;"> 03 Draft Modification Report </div> <div style="border: 1px solid #ccc; padding: 5px; display: flex; align-items: center;"> 04 Final Modification Report </div> </div>
<p>Purpose of Modification:</p> <p>This Modification Proposal identifies the arrangements relating to the requirement for ‘non-effective days’ and ‘variant non-Business Days’ to enable an orderly and efficient transition from current UNC arrangements to the UNC regime identified within UNC Modifications 0432, 0434 and 0440.</p> <p>In addition, this alternative modification proposes to maintain a minimum of two days with which to raise a Supply Point Objection.</p>	
	<p>The Workgroup recommends that these modifications should:</p> <ul style="list-style-type: none"> not be subject to self-governance procedures proceed to Consultation <p>The Panel will consider this Workgroup Report on 19 January 2017. The Panel will consider the recommendations and determine the appropriate next steps.</p>
	<p>High Impact:</p> <p>Large Transporters and Shipper Users</p>
	<p>Medium Impact:</p> <p>None</p>
	<p>Low Impact:</p> <p>None</p>

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Timetable		
Modification timetable:		
Initial consideration by Workgroup	05 January 2017	
Workgroup Report presented to Panel	19 January 2017	
Draft Modification Report issued for consultation	19 January 2017	
Consultation Close-out for representations	09 February 2017	
Final Modification Report available for Panel	10 February 2017	
Modification Panel decision	16 February 2017	
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1 Summary

What

To enable a smooth and efficient transition to the new supporting systems it is necessary to set out terms within the Uniform Network Code (UNC) Transition Document (TD) which identify the dates when the UK-Link System will not be available for transactions and processes as identified within the UNC.

Why

As part of the UK-Link Replacement Programme that incorporates the Project Nexus requirements, UNC Modifications 0432, 0434 and 0440 will be implemented on the Project Nexus Implementation Date (PNID). As a consequence some elements of the UK-Link system will not be available for a period of time to enable critical activities such as data migration and recovery to be supported. Clarity in respect of the above would facilitate a smooth, transparent and efficient implementation of the UK-Link System and transition for interfacing systems for other industry participants'.

How

This modification identifies a series of non-effective days when the relevant systems would be taken off-line and variant non-Business Days when UK-Link Systems shall be subject to additional support measures impacting transaction processing.

2 Governance

Justification for Authority Direction

Self-Governance procedures are not requested because, in certain scenarios, it is possible that changes of Supplier and corresponding Shipper may not be completed within the timescales set out in Supplier's Standard Licence Condition 14A (see 'Consumer Impacts' in section 6 below for more information). This may have an impact on gas consumers.

The Modification Panel determined that Self-Governance procedures were not suitable as this Modification could have a material impact on Competition as it could allow erroneous transfers to take place or delay transfers and thereby impact consumer confidence in the switching process.

Requested Next Steps

This modification should:

- not be subject to self-governance
- proceed to Consultation

The Workgroup agrees with the Modification Panels view on Self Governance as these modifications could have a material impact on Competition as they could delay transfers and thereby impact consumer confidence in the switching process.

The Workgroup requests Panel to issue these modifications to consultation as they will provide certainty on the number of Non Effective Days and Variant Non-Business Days required for Project Nexus.

3 Why Change?

Modification 0532 (Implementation of Non Effective Days (Project Nexus transitional modification)) was previously raised to provide for a number of UNC non-effective days prior to PNID being 1st October 2016. Due to the PNID changing to 1st June 2017, 0532 became defunct and was therefore rejected by Ofgem. It is necessary to provide for a series of UNC non-effective days and variant non-Business Days to facilitate 'cutover' to the new systems being introduced by the Transporters Agency, Xoserve, under the UK-Link Replacement Programme.

For the purposes of clarity it is important to distinguish a non-effective day and a variant non-Business Day from a non-Business Day. A non-Business Day is reflected within the exceptions described within Transportation Principal Document (TPD) Sections G1.10 - i.e. those Days which are other than a Business Day. Shipper Users may continue to submit Supply Point Administration (SPA) files on non-Business Days but any such files would not be processed. In contrast, all UK-Link systems activity concerned with TPD Sections G and M, in particular that associated with updates to the Supply Point Register are typically suspended on a non-effective day. In contrast, Code Communication and UK-Link system activity will be taking place during the variant non-Business Days but it is proposed that these shall not be counted as Business Days for the activity concerned with TPD Sections G and M.

To enable implementation of the UK-Link Replacement Programme in line with the revised PNID of 1st June 2017 it is essential that a number of non-effective days and variant non-Business Days are introduced in to the UNC TPD.

Extension of the prevailing timescales relating to Change of Supplier process may impact the consumer experience. The certainty that is afforded by the establishment of non-effective days and variant non-Business Days mitigates the likelihood of confusion or misunderstanding arising with respect to the Supplier switching process.

The absence of the clarity that this modification would provide could adversely affect timely implementation of the UK-Link Replacement Programme at PNID.

0602A

It is proposed that a minimum of two (2) Supply Point System Business Days is maintained to provide suppliers sufficient time to manage their objections processes for those customers where a Shipper objects at their request. This reduces both the commercial risk to Shippers as well as the risk of some customers needing to be Erroneously Transferred. In addition, this approach would give Shippers the option to use the prior weekend period for the decommissioning of legacy interfaces and the implementation of updated systems.

4 Code Specific Matters

Reference Documents

Detailed planning for UK-Link systems transition will take place in the TPG. Papers are available here. (Note: This group does not meet under UNC governance and the link below is provided for information only)

<http://www.xoserve.com/index.php/our-change-programme/uk-link-programme/uk-link-programme-workstream-updates/uk-link-programme-transition/>

The Low Level Transition Design will be base-lined through the Transition Process Group (TPG). This document (available at the link above) defines the impact to file transfers.

Knowledge/Skills

The proposed definition of non-effective days and variant non-Business Days would impact TPD Sections G and M of the UNC. As such it is recommended that the UNC Distribution Workgroup – whose familiarity with such sections would make it best placed to develop this modification given members' knowledge of the 'retail' related elements of the UNC.

5 Solution

Modification of the UNC is required to identify and incorporate a number of non-effective days and variant non-Business Days within the UNC Transition Document (TD).

It is proposed that nine (9) non-effective days and three (3) variant non-Business Days are introduced.

[In addition 0602A proposes a minimum of two \(2\) Supply Point System Business Days is maintained.](#)

Definition of non-effective days

Non-effective days are defined by the modifications, which introduced them.

The non-effective day period is proposed to be 23rd May 2017 to 31st May 2017 inclusive. This period of nine non-effective days prior to PNID would have the following features:

- Such days would not constitute UNC Business Days or Supply Point System Business Days.
- No Supply Point Confirmations can be submitted.
- No revision of the Supply Point Register can be made, including those defined in Annex G-1 'Revisions to Supply Point Register not Requiring Reconfirmation'.
- None of the following Code Communications may be made: Supply Point Enquiry, Supply Point Nomination, Supply Point Offer, Supply Point Confirmation, Supply Point Objection, Supply Point Withdrawal, request for Isolation, application to increase or reduce Supply Point Capacity, Amend Supply Point Offtake Rate, Revisions to Annual Quantity or NDM Meter Reading and Meter Information Notifications and Meter Information Update Notifications.
- No communication (under the Code or any other contract between the Transporters and Users) pursuant to which Transporters would be required to revise the Supply Point Register (being the Sites and Meters database), may be made.
- The above suspensions shall also apply with respect to Supply Points known as 'unique sites', including Shared Supply Points and including the Notification and Allocation processes associated with such sites,
- Daily Metered 'mandatory site' (DMM) liability relief is sought.
- Liability relief related to the processes described above being subject to the non-effective days i.e. Supply Point Offers, Supply Point Nominations (specifically Referrals) and updates to the Supply Point Register where the Meter Installation Works is completed by the Transporter.
- Liability relief is required for the relevant period with respect to Query Resolution for Invoicing and Operational Queries.
- Liability relief related to non-availability of UK-Link Systems (TPD Section U 7.6.7(c)) – specifically associated with non-availability of the Batch Transfer and systems and processes

defined as unavailable or subject to an outage notification would be sought through UK-Link Committee as defined in TPD Section U.

Definition of variant non-Business Days

The period of variant non-Business Days would include the PNID of 1st June 2017 and the two subsequent days that would have otherwise been Supply Point System Business Days being 2nd June and 5th June 2017.

These variant non-Business Days would have the following features¹:

- Such days would not constitute UNC Business Days or Supply Point Business Days.
- Supply Point Confirmations can be submitted.
- The variant non-Business Days are expected to apply to UNC TPD Sections G and M. Communications may be made by Users to Transporters: Supply Point Enquiry, Supply Point Nomination, Supply Point Offer, Supply Point Confirmation, Supply Point Objection, Supply Point Withdrawal, request for Isolation, application to increase or reduce Supply Point Capacity, Amend Supply Point Offtake Rate, Revisions to Annual Quantity or NDM Meter Reading and Meter Information Notifications and Meter Information Update Notifications.
- Communications may be made by Transporters to Users, including response files to the above.
- Liability relief related to the processes described above being subject to the variant non-Business Day i.e. Supply Point Offers, Supply Point Nominations (specifically Referrals) and updates to the Supply Point Register where the Meter Installation Works is completed by the Transporter.
- Liability relief is also required for the period with respect to Query Resolution for Invoicing and Operational Queries.
- Liability relief related to non-availability of UK-Link Systems (TPD Section U 7.6.7 (c)) – specifically associated with non-availability of the Batch Transfer and systems and processes defined as unavailable or subject to an outage notification would be sought through UK-Link Committee as defined in TPD Section U.

0602 - Extension to Minimum Confirmation timescales to enable one day period for Supply Point Objections

During preliminary discussions of this Modification Proposal Users have indicated that they would require a minimum of one day with which to raise a Supply Point Objection, which could only be accommodated by extending the minimum Confirmation timescale. Without extension of the minimum Confirmation timescale the incumbent User would not have an opportunity to raise a Supply Point Objection.

The proposal for three (3) variant non-Business Days, in addition to the nine (9) non-effective day period, means that for certain Supply Point Registration Dates the incumbent User would not have any opportunity to this day to raise a Supply Point Objection where the proposing User provides the minimum Confirmation timescale as set out in UNC G 2.5.8(b).

For the PNID of 1st June 2017, this Supply Point Registration Date range is between 1st and 8th June 2017.

The below table sets out the confirmation submission deadline were it not for the Project Nexus Implementation Date and the amended deadline taking account of Project Nexus Implementation whilst preserving a one day period with which to raise a Supply Point Objection.

It is highlighted that for the Supply Point Registration Date of 8th June 2017 where a proposing Shipper submits a Confirmation request with the minimum Confirmation timeline (by Sunday 21st May 2017) the Objection notification will be issued to the incumbent Shipper on Monday 22nd May 2017 no earlier than 1200hrs. The Objection must be received by the CDSP by 2300hrs on 22nd May 2017.

Supply Point Registration Date	Confirmation submission deadline (normal operation)	Confirmation submission deadline (extended Confirmation timescale)
1 st June 2017	18 th May 2017	17 th May 2017
2 nd June 2017	19 th May 2017	17 th May 2017
3 rd June 2017	20 th May 2017	17 th May 2017
4 th June 2017	21 st May 2017	17 th May 2017
5 th June 2017	22 nd May 2017	17 th May 2017
6 th June 2017	23 rd May 2017	18 th May 2017
7 th June 2017	24 th May 2017	21 st May 2017

Sample timelines are provided in appendix 1 to illustrate the timeline around a Change of Registered User event and PNID.

0602A - Extension to Minimum Confirmation timescales to enable two day period for Supply Point Objections

During preliminary discussions of this Modification Proposal Users indicated that they would require a minimum of one day with which to raise a Supply Point Objection, which could only be accommodated by extending the minimum Confirmation timescale. In addition, Users have advocated the merits of utilising the weekend prior to decommission the Legacy UK-Link System interfaces and implement their solutions to interface with the UK-Link System following the UK-Link Programme implementation. In order to achieve this, Users have advocated that the period within which to raise a Supply Point Objection must be at least two Supply Point System Business Days.

The proposal for three variant non-Business Days, in addition to the nine non-effective day period, means that for certain Supply Point Registration Dates the incumbent User would not be afforded a two Supply Point System Business Day period to raise a Supply Point Objection where the proposing User provides the minimum Confirmation timescale as set out in UNC G 2.5.8(b).

For the PNID of 1st June 2017, this Supply Point Registration Date range is between 31st May and 9th June 2017.

In order to accommodate this two

The below table sets out the confirmation submission deadline were it not for the Project Nexus Implementation Date and the amended deadline taking account of Project Nexus Implementation whilst preserving a one day period with which to raise a Supply Point Objection.

It is highlighted that for the Supply Point Registration Date of 8th June 2017 where a proposing Shipper submits a Confirmation request with the minimum Confirmation timeline (by Sunday 21st May 2017) the Objection notification will be issued to be extended as follows the incumbent Shipper on Monday 22nd May 2017 no earlier than 1200hrs. The Objection must be received by the CDSP by 2300hrs on 22nd May 2017.

Supply Point Registration Date	Confirmation submission deadline (normal operation)	Confirmation submission deadline (extended Confirmation timescale)
31st May 2017	17th May 2017	16th May 2017
2nd June 2017	19th May 2017	16th May 2017
3rd June 2017	20th May 2017	16th May 2017
4th June 2017	21st May 2017	16th May 2017
5th June 2017	22nd May 2017	16th May 2017
6th June 2017	23rd May 2017	16th May 2017
7th June 2017	24th May 2017	17th May 2017
8th June 2017	25th May 2017	18th May 2017
9th June 2017	26th May 2017	21st May 2017*

*In order to ensure that UK-Link may process such transactions consistently, the earliest Supply Point Registration Date that may be requested on 19th May 2017 shall be 9th June 2017.

Sample timelines are provided in appendix 1 to illustrate the timeline around a Change of Registered User event and PNID.

6 Impacts & Other Considerations

Does this modification impact a Significant Code Review (SCR) or other significant industry change projects, if so, how?

These Modifications impact the industry programme for replacement of the UK-Link system. This is because it is necessary to make provision in the UNC for activities (such as those associated with Supply Point Administration) where non-availability of the UK-Link system has a direct consequence for Shipper Users, Suppliers and ultimately consumers.

It is essential to the success of the UK-Link Replacement Programme (Project Nexus).

Consumer Impacts

Consumer Impact Assessment

(Workgroup assessment of proposer initial view or subsequent information)

Criteria	Extent of Impact
Which Consumer groups are affected?	<ul style="list-style-type: none"> • Domestic Consumers • Small non-domestic Consumers • Large non-domestic Consumers • Very Large Consumers
What costs or benefits will pass through to them?	None - as these modifications facilitates the implementation of the UK-Link Replacement Programme systems (Project Nexus), it is assumed that no direct costs will be passed through to consumers.
When will these costs/benefits impact upon consumers?	Not applicable.
Are there any other Consumer Impacts?	Potential consumer impacts are detailed in the Workgroup Impact Assessment below.
General Market Assumptions as at December 2016 (to underpin the Costs analysis)	
Number of Domestic consumers	21million
Number of non-domestic consumers <73,200 kWh/annum	500,000
Number of consumers between 73,200 and 732,000 kWh/annum	250,000
Number of very large consumers >732,000 kWh/annum	26,000

These modifications proposes a total of nine (9) non-effective days and three (3) variant non-Business Days. If the minimum Confirmation timescales are used the incumbent User would not have an opportunity to raise a Supply Point objection; Users have requested a minimum of one day with which to raise any objections. In order to accommodate this objection period the minimum Confirmation timescale would need to be extended.

With respect to the 1st June 2017 PNID, the period where Users may not submit Code Communications shall mean that Users need to submit Confirmations by 22nd May 2017 where the Supply Point Registration Date is 9th to 14th June 2017/10th to 14th June 2017.

This potentially impacts consumers as switches for the Supply Point Registration Date range of 6th to 8th June 2017 and 12th to 14th June 2017 cannot be completed within the timescales set out in Supplier's Standard Licence Condition 14A: 'Customer Transfer' which requires gas suppliers to ensure that customer transfers can take place within three weeks of the contractual cooling-off period ending. Confirmations must be submitted by Monday 22nd May 2017 for the above Supply Point Registration Date range.

Cross Code Impacts

Equivalent modifications to the iGT UNC have been raised (iGT UNC092/092A). While not part of formal UNC governance these modifications were considered in parallel with this Workgroup.

No impacts have been identified to any other Codes.

EU Code Impacts

None identified.

Central Systems Impacts

These Modifications are essential for the implementation of the UK-Link Replacement Programme (Project Nexus).

Workgroup Impact Assessment

Some participants were concerned that the number of NEDs and Variant Non Business Days proposed in both modifications exceeded those planned previously for Nexus implementation in October 2016. However, it is understood that these days are required to allow for the successful implementation of Nexus systems and that this would justify the additional days required and potential impacts on consumer switching.

It was noted that should Shippers take systems offline the weekend ahead of 22nd May, this may create an additional backlog of files which need to be processed by central systems once systems go live. This was considered to be a programme issue, although it was confirmed that no additional non variant business days would be required to manage this risk.

Participants noted that the Project Nexus Steering Group (PNSG) had considered in some detail the activities that were driving this modification and were supportive of the need for 9 NEDs plus the 3 variant non-business days.

It was noted that erroneous transfers can cause significant increases in workload and processing costs and significant disruption to the specific consumer concerned. It was suggested that it might take around 6 weeks to correct an erroneous transfer back to the pre transfer position.

It was noted that the number of NEDs and Variant Non Business Days would be fewer to support 01 July 2017 implementation. However, this on its own would not justify the delay of implementation of Nexus systems by 1 month.

The workgroup considered both modifications and highlighted the main differences as follows:

0602

Offers the benefits of the least disruption to the 21 days switching obligations for Suppliers as these will be impacted on a total of 3 days across the implementation period. However, this modification is likely to be a more technically involved system solution requiring industry participants to make changes to their own processes or systems to manage the changes to the objection window.

0602A

Offers the benefits of reducing the risk of erroneous transfers by maintaining a minimum of two days objection window. It also offers a more simplistic approach to implementation as there will be no need to amend User systems to cater for a 1 day or less objection window. However, this will result in an increase in the number of impacted days (6 days) where a consumer may not be able to switch Supplier with 21 days.

There were concerns raised that consumers may not be able to enjoy the full benefits of switching to a new tariff where 21 day switching obligations cannot be met. In the worst case this impact could be up to 3 days loss of benefit for an individual Consumer. This impact would apply to 6 switching days. Previous analysis suggests this could impact up to 48,000 consumers.

User Pays

User Pays	
Classification of the modification as User Pays, or not, and the justification for such classification.	No User Pays service would be created or amended by implementation of this modification and it is not, therefore, classified as a User Pays Modification.
Identification of Users of the service, the proposed split of the recovery between Gas Transporters and Users for User Pays costs and the justification for such view.	n/a
Proposed charge(s) for application of User Pays charges to Shippers.	n/a
Proposed charge for inclusion in the Agency Charging Statement (ACS) – to be completed upon receipt of a cost estimate from Xoserve.	n/a

7 Relevant Objectives

Impact of the modification on the Relevant Objectives:	
Relevant Objective	Identified impact
a) Efficient and economic operation of the pipe-line system.	None
b) Coordinated, efficient and economic operation of (i) the combined pipe-line system, and/ or (ii) the pipe-line system of one or more other relevant gas transporters.	None
c) Efficient discharge of the licensee's obligations.	None
d) Securing of effective competition: (i) between relevant shippers; (ii) between relevant suppliers; and/or (iii) between DN operators (who have entered into transportation arrangements with other relevant gas transporters) and relevant shippers.	Impacted

e) Provision of reasonable economic incentives for relevant suppliers to secure that the domestic customer supply security standards... are satisfied as respects the availability of gas to their domestic customers.	None
f) Promotion of efficiency in the implementation and administration of the Code.	Positive
g) Compliance with the Regulation and any relevant legally binding decisions of the European Commission and/or the Agency for the Co-operation of Energy Regulators.	None

Given that an effect of these Modifications could be to extend the timescales for the transfer of a Supply Point registration by a Shipper User within the transition period, there could be a minor effect on competition between Shippers and between Suppliers. This has an impact on relevant objective d) Securing of effective competition between Shipper Users. However, this impact should be considered against the positive impacts provided by the implementation of UK-Link Replacement Programme (Project Nexus).

These Modifications would enable the implementation of the UK-Link Replacement Programme (Project Nexus). The measures identified can therefore be expected to facilitate relevant objective f) 'Promotion of efficiency in the implementation and administration of the Code as it would allow for the successful migration of industry data and implementation of Nexus systems.

Modification 0602A proposes to maintain a minimum of two days with which to raise a Supply Point Objection to reduce the risk to consumers that objections cannot be made. Retention of this two day period affords Shippers Users the opportunity to manage System Implementations in a manner consistent with other large scale implementations and to facilitate relevant objective f) 'Promotion of efficiency in the implementation and administration of the Code.

8 Implementation

These Modifications could be implemented upon direction and it would be desirable if this Modification were implemented as soon as possible and by no later than 1st March 2017 to add certainty to the transition process for the UK-Link replacement programme.

9 Legal Text

Legal Text is to be provided by National Grid Gas Distribution and is to be published alongside this report. The Workgroup has considered the Draft Legal Text.

Text Commentary

Text commentary will be provided in due course and is to be published alongside this report.

Text

Legal Text will be provided in due course and is to be published alongside this report..

10 Recommendations

Workgroup's Recommendation to Panel

The Workgroup asks Panel to agree that:

- These modifications should proceed to consultation.

11 Appendix 1

Business Rule Statement:

Business Rules associated with Confirmation timescales		Confirmation Status as described in subsequent Sheet
1	A Confirmation may be submitted by a proposing Shipper User with a requested Supply Point Registration Date (D) (also referred to as Confirmation Effective Date AND Supply Start Date) which must be between:	Upon acceptance of the Confirmation by the proposing User, the Confirmation Status shall be RQ.
a)	A maximum Confirmation lead time of 30 Business Days from the Confirmation submission date	
AND		
b)	A minimum Confirmation lead time of 15 calendar Days from the Confirmation submission date	
2	Upon acceptance of this Confirmation, the existing Shipper (incumbent User) will be notified of the Confirmation acceptance, and given an opportunity to submit a Supply Point Objection. This Supply Point Objection must be submitted in the objection window.	Confirmation Status changes to CO Status at D-2.
a)	This objection window will end Seven business days from the notice to the existing Shipper	
OR		
b)	Where there are insufficient Business Days in the period between the Confirmation submission and the Supply Point Registration Date to provide the seven Business Days objection window. No later than the end of D-3 Business Days where D is the Supply Point Registration Date.	
		For Information: (not shown on Sheet) Confirmation Status changes to LI at Supply Point Registration Date (D).

